

**RATE SCHEDULE FT-R**  
**FIRM TRANSPORTATION - RECEIPT**

**1.0 DEFINITIONS**

**1.1** The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

**2.0 SERVICE DESCRIPTION AND AVAILABILITY**

**2.1** Subject to the stated terms and conditions, service under Rate Schedule FT-R shall mean the receipt of gas from Customer at Customer's Receipt Points (the "Service") which includes transportation of gas that Company determines necessary to provide services under the Tariff.

Provided however, on any day, Service at the Empress or McNeill Receipt Points shall not exceed the greater of:

- (i) 100 GJs; or
- (ii) the total volume of gas delivered to Customer at such point under Rate Schedules FT-D, FT-DW, IT-D, STFT, LRS and LRS-3 on such day.

**2.2** The Service is available to any Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule FT-R. A standard form Service Agreement for Service under this Rate Schedule FT-R is attached.

**3.0 PRICING**

**3.1** Subject to paragraph 3.2, the rate used in calculating Customer’s monthly demand charge under each of Customer’s Schedules of Service for Service under Rate Schedule FT-R is the FT-R Demand Rate.

**3.2** If the Primary Term plus the Secondary Term of any of Customer’s Schedules of Service for any new Service or any renewed Service under Rate Schedule FT-R is:

- (i) five (5) years or greater the Price Point shall be 95% (Price Point “A”);
- (ii) at least three (3) years but less than five (5) years the Price Point shall be 100% (Price Point “B”); and
- (iii) at least one (1) year but less than three (3) years the Price Point shall be 105% (Price Point “C”).

**4.0 CHARGE FOR SERVICE**

**4.1 Aggregate of Customer's Monthly Demand Charges**

The aggregate of Customer’s monthly demand charges for a Billing Month for Service under Rate Schedule FT-R shall be equal to the sum of the monthly demand charges for each of Customer’s Schedules of Service under Rate Schedule FT-R, determined as follows:

$$\text{MDC} = \sum ( F \times P ) \left( A \times \frac{B}{C} \right)$$

Where:

“MDC” = the aggregate of the demand charges applicable to such Schedule of Service for such Billing Month;

“F” = the FT-R Demand Rate applicable to such Schedule of Service;

“P” = the applicable Price Point for such Schedule of Service;

“A” = each Receipt Contract Demand in effect for all or a portion of such Billing Month for such Schedule of Service;

“B” = the number of days in such Billing Month that Customer was entitled to such Receipt Contract Demand under such Schedule of Service;  
and

“C” = the number of days in such Billing Month.

#### **4.2 Aggregate of Customer’s Surcharges**

The aggregate of Customer’s Surcharges for a Billing Month shall be equal to the sum of all Surcharges applicable to each of Customer’s Schedules of Service under Rate Schedule FT-R.

#### **4.3 Aggregate of Customer’s Over-Run Gas Charges**

The aggregate of Customer’s charges for Over-Run Gas in a Billing Month for Service under all Rate Schedules shall be equal to the sum of the monthly charges for Over-Run Gas for each Receipt Point at which Customer is entitled to Service under any Rate Schedule, determined as follows:

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$$\text{MOC} = (\text{V} \times \text{Z}) + (\text{V} \times \text{A})$$

Where:

“MOC” = the monthly charge for Over-Run Gas at such Receipt Point;

“V” = total volume of gas allocated to Customer by Company as Over-run Gas in accordance with paragraph 4.6 for Service under all Rate Schedules at such Receipt Point for such Billing Month;

“Z” = the IT-R Rate at such Receipt Point; and

“A” = the Daily Abandonment Surcharge.

**4.4** The calculation of Customer's charge for Over-Run Gas in paragraph 4.3 shall not take into account Customer's Inventory on the last day of the Billing Month.

#### **4.5 Aggregate Charge For Service**

Customer shall pay for each Billing Month:

- (i) the sum of the amounts calculated in accordance with paragraphs 4.1, 4.2, and 4.3;  
less
- (ii) the amount, if any, calculated in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix "B" of the Tariff.

#### **4.6 Allocation of Gas Received**

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been

nominated, the aggregate volume of gas received from Customer at a Receipt Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedules LRS and LRS-3 to a maximum of such Customer's LRS Contract Demand for such Receipt Point under such Rate Schedule LRS and to a maximum of such Customer's LRS-3 Contract Demand for such Receipt Point under such Rate Schedule LRS-3;
- (ii) secondly to Service to Customer under Rate Schedule FT-R to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under Rate Schedule FT-R;
- (iii) thirdly to service to Customer under Rate Schedule FT-RN to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under Rate Schedule FT-RN; and
- (iv) fourthly to service to Customer under Rate Schedule IT-R at such Receipt Point. If Customer is not entitled to service under Rate Schedule IT-R at such Receipt Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3.

## **5.0 TERM OF SERVICE**

### **5.1 Term of a Schedule of Service**

If, in the provision of new Service, Company determines that:

- (i) no new Facilities are required to provide the Service requested, the minimum term of the Schedule of Service shall be a Secondary Term of one (1) year;
  
- (ii) new metering Facilities are required to provide the Service requested, the minimum term of the Schedule of Service shall be equal to the sum of:
  - (a) a minimum Primary Term of between two (2) and five (5) years as determined under the Criteria for Determining Primary Term in Appendix “E” of the Tariff; and
  
  - (b) a Secondary Term equal to six (6) years less the Primary Term; or
  
- (iii) other new Facilities are required to provide the Service requested, the minimum term of the Schedule of Service shall be equal to the sum of:
  - (a) a minimum Primary Term of two (2) years if no new metering Facilities are required or of between two (2) and five (5) years if new metering Facilities are required as determined under the Criteria for Determining Primary Term in Appendix “E” of the Tariff; and
  
  - (b) a Secondary Term equal to eight (8) years less the Primary Term.

**5.2** The Price Point for the term shall be determined in the manner described in paragraph 3.2.

**5.3 Term of Service Agreement**

Customer’s Service Agreement shall terminate on the latest Service Termination Date of Customer’s Schedules of Service for Service under Rate Schedule FT-R.

**6.0 CAPACITY RELEASE**

**6.1** If Customer desires a reduction of Customer's Receipt Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule FT-R, Customer shall give Notice to Company of its request for such reduction specifying the particular Receipt Point, Schedule of Service and the Receipt Contract Demand available to any other Person who requires Service under Rate Schedule FT-R. Company shall not have any obligation to find any Person to assume the Receipt Contract Demand Customer proposes to make available. If after Notice is given to Company a Person is found who agrees to assume the Receipt Contract Demand Customer proposes to make available, together with any applicable Surcharge, Company may reduce Customer's Receipt Contract Demand under such Schedule of Service, on terms and conditions satisfactory to Company, by an amount equal to the Receipt Contract Demand specified in a new Schedule of Service, executed by Company and such Person. Notwithstanding such reduction, Customer shall at Company's sole option either:

- (i) continue to pay any Surcharge until the Service Termination Date as described in the applicable Schedule of Service (unless any other Person acceptable to Company has agreed to pay such Surcharge); or
- (ii) in the event that Company retires any Facilities required to provide such Service, pay to Company within a time determined by Company, an amount equal to the net book value of such Facilities adjusted for all costs and expenses associated with such retirement.

**7.0 RELIEF FOR MAINLINE RESTRICTIONS**

- 7.1** Company will grant relief to a Customer entitled to Service under Rate Schedule FT-R, in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix “B” of the Tariff.

**8.0 TRANSFER OF SERVICE**

**8.1 Transfers Between Receipt Points Within the Same Project Area**

If Customer desires to transfer all or any portion of Service under a Schedule of Service from a Receipt Point within a Project Area to a Receipt Point within the same Project Area, Customer shall give Notice to Company of Customer’s request for such transfer specifying the Receipt Points, the Schedule of Service and the portion of the Receipt Contract Demand that Customer wishes to transfer.

- 8.2** Company is under no obligation to permit the transfer requested in paragraph 8.1, but may permit such transfer provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the transfer;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the transfer is not required;
- (iii) the transfer does not occur during the Primary Term of the Schedule of Service;
- (iv) the Price Point in effect for Service under the Schedule of Service, from which Customer wishes to transfer Service at the time of the transfer, applies to the new Schedule of Service for the Service that has been transferred;



- (v) the FT-R Demand Rate applicable to Service under the Schedule of Service that has been transferred shall be the FT-R Demand Rate in effect at the Receipt Point to which the Service under the Schedule of Service has been transferred; and
- (vi) Customer executes a transfer of Service agreement.

### **8.3 Transfers Between Receipt Points in Different Project Areas**

If Customer desires to transfer all or any portion of Service under a Schedule of Service from a Receipt Point within a Project Area to a Receipt Point in a different Project Area, Customer shall give Notice to Company of Customer's request for such transfer specifying the Receipt Points, the Schedule of Service and the portion of the Receipt Contract Demand that Customer wishes to transfer.

### **8.4 Company is under no obligation to permit the transfer requested in paragraph 8.3, but may permit such transfer provided that:**

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the transfer;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the transfer is not required;
- (iii) the transfer does not occur during the Primary Term of the Schedule of Service;
- (iv) three (3) years are added to the balance of Customer's Secondary Term for the new Schedule of Service (the "New Term") for the Service that has been transferred;

- (v) the Price Point for Service under the new Schedule of Service for the Service that has been transferred shall be determined in the manner described in paragraph 3.2 using the New Term;
- (vi) the FT-R Demand Rate applicable to the Service under the Schedule of Service that has been transferred shall be the FT-R Demand Rate in effect at the Receipt Point to which Service under the Schedule of Service has been transferred; and
- (vii) Customer executes a transfer of Service agreement.

## **8.5 Transfers Between Receipt Points and Delivery Points**

A Customer entitled to receive Service under Rate Schedule FT-R shall not be entitled to transfer all or any portion of Service under Rate Schedule FT-R to a Delivery Point.

## **9.0 TERM SWAPS**

### **9.1 Term Swap Between Receipt Points Within the Same Project Area**

If Customer desires to swap the Service Termination Date of a Schedule of Service with the Service Termination Date of another Schedule of Service and the Receipt Points for the Schedules of Service are within the same Project Area, Customer shall give Notice to Company of Customer's request for such swap specifying the particular Receipt Points, the Service Termination Dates and the Schedules of Service, if necessary, that Customer wishes to swap.

- 9.2** Company is under no obligation to permit the swap requested in paragraph 10.1, but may permit such swap provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the swap;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the swap is not required;
- (iii) the swap does not occur during the Primary Term of the Schedule of Service;
- (iv) the Receipt Contract Demand and the FT-R Demand Rate;
  - (a) at each Receipt Point; and
  - (b) for each Service Termination Datedo not change as a result of the swap;
- (v) the Price Point in effect for each Schedule of Service after the swap shall be the Price Point in effect for the other Schedule of Service immediately prior to the time the Service Termination Dates were swapped; and
- (vi) Customer executes new Schedules of Service.

### **9.3 Term Swaps Between Receipt Points in Different Project Areas**

If Customer desires to swap the Service Termination Date of a Schedule of Service with the Service Termination Date of another Schedule of Service and the Receipt Points for the Schedules of Service are in different Project Areas, Customer shall give Notice to Company of Customer's request for such swap specifying the particular Receipt Points, the Service Termination Dates and the Schedules of Service, if necessary, that Customer wishes to swap.

**9.4** Company is under no obligation to permit the swap requested in paragraph 10.3, but may permit such swap provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the swap;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the swap is not required;
- (iii) the swap does not occur during the Primary Term of the Schedule of Service;
- (iv) the Receipt Contract Demand and the FT-R Demand Rate:
  - (a) at each Receipt Point; and
  - (b) for each Service Termination Date

do not change as a result of the swap;

- (v) subject to subparagraph 9.4(vi), the Price Point in effect for each Schedule of Service after the swap shall be the Price Point in effect for the other Schedule of Service immediately prior to the time the Service Termination Dates were swapped;
- (vi) three (3) years are added to the balance of Customer's Secondary Term for each Schedule of Service (the "New Term") if the remaining term of either of the Schedules of Service is less than three (3) years and the Price Point that shall apply to each Schedule of Service shall be the Price Point determined in the manner described in paragraph 3.2 using the New Term for such Schedules of

Service; and

- (vii) Customer executes new Schedules of Service.

#### **9.5 Term Swaps Between Schedules of Service Under Rate Schedule FT-R and other Schedules of Service**

Except as provided in article 9, a Customer entitled to receive Service under Rate Schedule FT-R shall not be entitled to swap the Service Termination Date of any Schedule of Service under Rate Schedule FT-R with the Service Termination Date under any Schedule of Service.

#### **10.0 TITLE TRANSFERS**

- 10.1** A Customer entitled to receive Service under Rate Schedule FT-R may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

#### **11.0 TEMPORARY CONVERSION OF SERVICE**

- (i) Customer may request a Temporary Conversion provided that:
  - (a) at the time of the request, the Schedule of Service Rate Schedule FT-R is a Conversion Eligible Schedule of Service, with at least one (1) year remaining;

- (b) the Temporary Conversion:
    - (i) commences on the first day of a month, which is at least thirty (30) days following written request for Temporary Conversion; and
    - (ii) ends on the last day of a month which is at least one (1) year after the Temporary Conversion commencement date;
  - (c) all conditions set out in paragraphs 2.1 and 2.2 of Rate Schedule FT-P have been satisfied;
  - (d) Company may require Customer to extend the term of the Schedule of Service in order to ensure the Temporary Conversion results in sufficient cost accountability as determined by Company in its sole discretion; and
  - (e) Company determines, in its sole discretion, it is able to accommodate the Temporary Conversion.
- (ii) The Temporary Conversion shall revert back to Service under Rate Schedule FT-R at the end of the term of the Temporary Conversion.
  - (iii) Rate Schedule FT-P shall apply during Temporary Conversion, excluding however paragraphs 10.1 to 10.3, in which case paragraphs 12.1 to 12.3 of Rate Schedule FT-R shall apply.

## **12.0 RENEWAL OF SERVICE**

### **12.1 Renewal Notification**

Customer shall be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-R as Service under either Rate Schedule FT-R or Rate Schedule FT-P, if Customer gives Notice to Company of such renewal at least one (1) year prior to the Service Termination Date. If Customer does not specify which Rate Schedule the Service is to be renewed under, the Service shall be renewed under Rate Schedule FT-R. If Customer does not provide such Notice, the Service shall expire on the Service Termination Date.

### **12.2 Irrevocable Notice**

Customer's Notice to renew pursuant to paragraph 12.1 shall be irrevocable one (1) year prior to the Service Termination Date.

Any renewal of Service is subject to the Financial Assurances provisions in Article 10 of the General Terms and Conditions.

### **12.3 Renewal Term**

Customer's Notice shall specify a renewal term of not less than one (1) year consisting of increments of whole months. The Price Point for the renewal term shall be determined in the manner described in paragraph 3.2 based on the length of the renewal term requested by Customer.

## **13.0 APPLICATION FOR SERVICE**

**13.1** Applications for Service under this Rate Schedule FT-R shall be in such form as Company may prescribe from time to time.

**14.0 GENERAL TERMS AND CONDITIONS**

**14.1** The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule FT-R are applicable to Rate Schedule FT-R to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.



**SERVICE AGREEMENT**  
**RATE SCHEDULE FT-R**

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office in  
Calgary, Alberta (“Company”)

- and -

•, a body corporate having an office in •, • (“Customer”)

IN CONSIDERATION of the premises and the covenants and agreements in this Service Agreement, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule FT-R in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.
4. Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule FT-R.

5. Customer shall:
- (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule FT-R including, without limiting the generality of the foregoing, an assurance that necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and
  - (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities upstream of any Receipt Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating volumes of gas received by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by Notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Customer acknowledges that the Facilities have been designed based on certain assumptions and forecasts described in Company's Annual Plan, and that interruption and curtailment of Service may occur if the aggregate gas volume actually received or the

aggregate gas volume actually delivered at the Facilities is different than forecast.

7. Every notice, request, demand, statement, bid or bill provided for in Rate Schedule FT-R, this Service Agreement and the General Terms and Conditions, or any other notice which either Company or Customer may desire to give to the other (collectively referred to as “Notice”) shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

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•

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Attention: •

Fax: •

Company:

•

•

•

Attention: Customer Account Representative

Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not made

electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

- (a) Notwithstanding the foregoing:
  - (i) Company may give any Notice on the Website; and
  - (ii) Company and Customer shall give Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix “F” of the Tariff via the Website unless the Website is inoperative, in which case Notice shall be given by any other alternative means set out herein.

Any Notice posted on the Website shall be deemed to be given one (1) hour after posting.

- (b) Notice may also be given by telephone followed immediately by fax, personal delivery, courier or prepaid mail, and in the case of Company, by posting on the Website, and any Notice so given shall be deemed to have been given as of the date and time of the telephone Notice.
- 8.** The terms and conditions of Rate Schedule FT-R, the General Terms and Conditions and Schedule of Service under Rate Schedule FT-R are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of •, •.

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NOVA Gas Transmission Ltd.

Per:

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Per:

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Per:

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Per:

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